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SUBJECT: PRIME MINISTER TARICEANU EXPELS PD MINISTERS FROM  
RESHUFFLED CABINET

Classified By: DCM Mark Taplin for 1.4 (b) and (d)

¶1. (SBU) Summary. Prime Minister Tariceanu has followed up his 4/1 announcement that he intended to dissolve the ruling alliance with President Basescu's Democratic Party (PD) by submitting a list of nominees for a reshuffled cabinet the following day. The portfolios have been divided between the PM, s National Liberal Party (PNL) and Romania's principal Hungarian minority party, the UDMR. As expected, Social Democratic opposition leader Mircea Geoana has announced his party would vote for the new Tariceanu cabinet, labeling it rather disingeniously as "the lesser of two evils" in light of Romania's recent political deadlock. In fact, the realigned cabinet would have been inconceivable without the active collaboration of Tariceanu, Geoana and their political allies behind the scenes; the PNL and UDMR represent together less than one-quarter of the seats in Parliament. President Basescu and PD party head Emil Boc both denounced the government shake-up, with Basescu referring to the proposed new cabinet as a "hyper-minority" one, and Boc labeling Tariceanu as the "imposter Premier." The new government is expected to be voted in handily by Parliament on 4/3, and sworn in by the President the following day. End Summary.

¶2. (SBU) In a televised press conference April 1, Prime Minister Calin Popescu-Tariceanu announced the dissolution of the D-A alllliance between his National Liberal Party (PNL) and President Basescu's Democratic Party (PD), ending an uneasy coalition that has ruled Romania since December 2004. Tariceanu announced that while the D-A alliance had been a solution for Romania in 2004, it had "exhausted its ability to benefit Romanians". Tariceanu the following day made public a list of nominees for a reshuffled cabinet comprised of the PNL and the ethnic Hungarian UDMR. Tariceanu noted that the incumbent government lacked the structure, political unity, or coherence to fulfill "Romania,s European agenda." Tariceanu added that the post-EU accession government had adjusted both its composition and priorities to meet Romania's post-accession challenges. He listed these as 1) the fight against corruption and implementation of a modern judicial system; 2) minimizing the development imbalances between Romania's various regions; 3) achieving the same level of development of other European countries, and; 4) better capacity to absorb EU funding.

¶3. (SBU) The cabinet reshuffle was accompanied by several other modifications, billed as changes that would reduce its overall size and make it more efficient. The most significant change was the announcement that the Finance and Economic ministries would be merged, something which was attempted once before in the nineties, with unsatisfactory results. Tariceanu announced the formal elimination of two (out of three) Deputy Prime Minister positions (already accomplished de facto last year) , and retaining just one position of minister delegate (compared with the previous

five). As expected, the portfolio of the former Ministry for European Integration will be recast as a new Ministry of Development, Public Works and Housing; a new Ministry for Small and Medium enterprises (SME), Tourism, Trade and Liberal professions was also created; the portfolio of the Education and Research Ministry will be expanded to include youth issues; the Ministry of Administration and Interior has now been recast as the Ministry of Interior and Administrative Reform; and finally, the Ministry of Environment and Water Management has been renamed the Ministry of Environment and Sustainable Development.

14. (SBU) The new cabinet is made up exclusively of members of the National Liberal Party and of the Democratic Union of Hungarians from Romania (UDMR), with the support of the Social Democratic Party (PSD), which many predict will garner a large share of sub-cabinet positions in return for its backing. In the reshuffled cabinet, the PNL will control the office of PM and 13 portfolios, UDMR will hold the office of deputy PM and 3 portfolios. A list of proposed ministerial appointments follows:

Prime Minister: Calin Popescu-Tariceanu (PNL)  
Minister of State (deputy PM): incumbent Marko Bela (UDMR)  
Minister of Justice: Teodor Chiuariu (PNL), head of the government's anti-fraud department  
- replacing Monica Macovei (no party affiliation, supported by PD)  
Minister of Economy and Finance: incumbent Varujan Vosganian (PNL)  
- ministries of economy and finance have merged: former Minister of finance Sebastian Vladescu loses office  
Minister of Labor: Paul Pacuraru (PNL), member of the Senate  
- replacing Gheorghe Barbu (PD)

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Minister of Regional Development: Laszlo Borbely (UDMR), delegate minister for public works and territorial management  
- this ministry replaced Ministry of European Integration led by Anca Boagiu (PD)  
Minister of Foreign Affairs: Adrian Cioroianu (PNL), member of the Senate  
- replacing Mihai Razvan Ungureanu, dismissed in February  
Minister of Administration and Interior: Cristian David (PNL), delegate minister for the control of implementation of programs with European funds..  
- replacing Vasile Blaga (PD)  
Minister of Defense: Teodor Melescanu (PNL), vice-president of the Senate  
- replacing Sorin Frunzaverde (PD)  
Minister of Agriculture, Forestry and Rural Development: Decebal Traian Remes (PNL), PNL general secretary, former minister of finance (1998-2000)  
- replacing Dan Motreanu (PNL) - (note: who probably discovered he was not prepared for a very complex portfolio)  
Minister of Transportation, Constructions and Tourism: Ludovic Orban (PNL), vice-mayor of Bucharest  
- replacing Radu Berceanu (PD)  
Minister of Education and Research: Cristian Adomnitei (PNL), leader of the PNL youth  
- replacing Mihail Hardau (PD)  
Minister of Culture and Religious Affairs: incumbent Adrian Iorgulescu (PNL)  
Minister of Health: incumbent Eugen Nicolaescu (PNL)  
Minister of Communications: incumbent Zsolt Nagy (UDMR)  
Minister of Environment: Attila Korody (UDMR), secretary of state/deputy minister in the same minister  
- replacing Sulfina Barbu (PD)  
Minister delegate for relationship with parliament: incumbent Mihai Voicu (PNL)  
Minister for Small and Medium Enterprises: Ovidiu Silaghi (PNL), member of the Chamber of Deputies  
- new portfolio

15. (C) In response to the PM's announcement of the government reorganization, President Basescu and PD head Emil

Boc launched a sharp political counterattack. Boc, seated alongside the other PD bigwigs like former Interior Minister Blaga and Bucharest mayor Videanu, accused Tariceanu of "treason," arguing that the PM had constructed "an illegitimate government, in betrayal of the Alliance's electorate, with an imposter premier." Boc repeatedly labeled the new configuration as a "PSD-PNL" government, insisting that Romanians needed to recognize the Liberals had in fact come to an accommodation with the Alliance's 2004 electoral foes, the Social Democrats of Iliescu and Nastase.

In an open letter to the presidents of the Senate and the Chamber of Deputies, Basescu repeatedly referred to Tariceanu as "the former Prime Minister of the Alliance," and argued that the "hyper-minority" government that he was bringing forward for parliamentary approval risked provoking a rupture between Parliament and Romanian society because it only represented, he claimed, 22% of parliamentary mandates. Most media commentators last night, whatever their attitudes towards the two palaces, cast doubt on the longevity of the new governmental line-up. Even PSD leader Geoana, who has pressed hard for this outcome since mid-January, was anything but ebullient. While he argued that "the Alliance's rupture is good news for Romania," he warned the Liberals that the new government was one with "a limited mandate," and that "once we have done our homework, we will replace it." He also made it clear the PSD plans to press forward with its presidential suspension effort, stating that Basescu was "the principal obstacle to (political) calm."

16. (C) Comment: After many weeks of agonizing debate and posturing, the Prime Minister finally decided to cast his lot with the opposition and against Basescu. Parliament will convene in a joint session on April 3 to vote on the new cabinet. With a total of 254 votes (72 PNL, 150 PSD, 32 UDMR), the new government should be voted in with no problem even if legal challenges emerge in the weeks ahead. (note: the remaining major parties have a total of 176 seats at their disposal, including 70 for the PD, 31 PRM, 27 PDL, and 47 PC). Given that the PNL and UDMR together enjoy the support of only about a quarter of all parliamentary seats, the new cabinet is in fact a politically artificial construct that will have to bargain for its life on issues large and small with the bigger and better organized "opposition" PSD.

At best, it might provide a temporary respite from the current political and institutional deadlock. Septel will report on some of the new figures in the Tariceanu cabinet.  
End Comment.

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